APPENDIX B.

Extract from letter No. Political 26 (Foreign Department) dated Fort William, the 3rd March 1880, from His Excellency the Most Honourable the Governor-General of India in Council to the Right Hon'ble Viscount Cranbrook, Her Majesty's Secretary of State for India, London.

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9. But, although we have an incontestable right to take full account of the fact that the State's revenues have nearly doubled since the administration passed into our hands, we do not propose to follow these calculations in dealing with the question of the future contribution to be made by Mysore. The augmented revenues of the State are chiefly due to improved administration, and it is to be remembered that with the reform of administration, its cost has increased; and that the Government of India have set up in Mysore, and are stipulating for the maintenance of, a government completely organized in all its branches, at a high and therefore expensive standard of efficiency. In this, and in various other respects, a far larger proportion than formerly of the revenues of the State will be devoted to the interests of the people and to works of great public utility. We may also give some credit to Mysore, in considering the question of her financial relations with the Government of India, for the yield of the excise which is now paid to British revenue upon all salt consumed within the State; although in this respect Mysore is necessarily in the same position with all other inland States consuming imported salt.

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